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## DIGEST

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Leger

HB No. 680

**Abstract:** Requires any local auditee or vendor who collect ad valorem taxes on behalf of taxing authorities to have its tax collection and distribution fund audited, any local auditee or vendor who collects other taxes on behalf of taxing authorities to have its annual financial statement audited, and each such local auditee or vendor to submit a detailed sworn statement regarding tax collections to the legislative auditor annually.

Present law (R.S. 24:513(B)) requires the accounts and records of each sheriff, as ex officio tax collector, to be audited in accordance with the provisions of present law not less than once every year. Requires the tax collector to provide the legislative auditor with a sworn statement of the amounts of cash on hand and taxes collected for the current year, with an itemized statement of all taxes assessed and uncollected, upon request. Requires the statement to indicate the reason for his failure to collect. Requires parish governing authorities and the governing authorities of other tax recipient bodies to notify the legislative auditor, in writing, whenever any sheriff is delinquent in his settlements. Requires all clerks of court and other public officers to furnish, without charge, certified copies of any documents or papers in their possession to the legislative auditor whenever he requests.

Proposed law retains present law and further requires any other local auditee or vendor that collects and distributes ad valorem taxes on behalf of taxing authorities to have its tax collection and distribution fund audited annually and to distribute a copy of the audit report to the legislative auditor and each taxing authority for which it collects taxes. Requires each such local auditee and vendor to provide the legislative auditor with a sworn statement of the gross amount of taxes to be collected, any deductions made from the tax rolls, the amount of taxes collected, and the taxes distributed to the taxing authorities. Requires the statement to detail any taxes on hand at the end of the reporting period; the amounts of such balance belonging to the taxing authorities; the amounts of collections related to current tax collections; the amounts relating to prior year taxes; the amounts of any interest and penalties collected and disbursed; the extent to which the prior year tax collections relate to collection and audit efforts; and the reason, if any, for failure to collect. Provides for the statement to include other disclosures as may be determined necessary by the legislative auditor.

Proposed law additionally requires any other local auditee or vendor that collects and distributes taxes other than ad valorem taxes on behalf of a taxing authority to have its annual financial statement audited and to distribute a copy of the audit report to the legislative auditor and each taxing authority for which it collects taxes. Requires the audit report to have a footnote disclosure including total collections and a schedule of distribution by taxing authority and other disclosures

as may be determined necessary by the legislative auditor.

Proposed law provides that the audit reports required by proposed law be completed within six months of the close of the local auditee's or vendor's fiscal year.

Present law (R.S. 24:513(K)) provides that whoever violates the provisions of present law shall be fined not more than \$1,000 and shall be deemed guilty of malfeasance and gross misconduct in office, and subject to removal. Proposed law retains present law penalties for present law and proposed law.

(Amends R.S. 24:513(B))

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on House and Governmental Affairs to the original bill.

1. Changed the due date of the audit reports from no later than April 1 to within six months of the close of the local auditee's or vendor's fiscal year for fiscal periods beginning after Dec. 31, 2010.
2. Limited the local auditees and vendors to which the requirement for an audit report which specifically requires a sworn statement of the gross amount of taxes to be collected, deductions made, taxes collected, and taxes distributed to the taxing authorities and the statement to detail taxes on hand at the end of the reporting period, the amounts of such balance belonging to the taxing authorities, the amounts of collections related to current tax collections, the amounts relating to prior year taxes, the amounts of any interest and penalties collected and disbursed, the extent to which the prior year tax collections relate to collection and audit efforts, and the reason for failure to collect applies to local auditees and vendors who collect ad valorem taxes.
3. Provided that any other local auditee or vendor that collects and distributes taxes other than ad valorem taxes on behalf of a taxing authority must have its tax collection and distribution fund audited and distribute a copy of the audit report, which contains a footnote disclosure including total collections and a schedule of distribution by taxing authority and other disclosures determined necessary by the legislative auditor, to the legislative auditor and each taxing authority for which it collects taxes.

#### House Floor Amendments to the engrossed bill.

1. Changed the requirement that any other local auditee or vendor that collects and distributes taxes other than ad valorem taxes have its tax collection and distribution fund audited to a requirement that such a local auditee or vendor have its annual financial statement audited.

